

FINAL STATEMENT OF REASONS

Adoption of Section 565.5 – Fees for Actuarial Valuations

Update of Initial Statement of Reasons: There have been no changes in the applicable laws or facts, or to the effect of the proposed regulations, from those described in the Initial Statement of Reasons.

Local Mandate Determination: The proposed regulation does not impose any mandate on local agencies or school districts.

Summary And Response To Comments Received During The Public Notice Period April 2, 2004 through May 17, 2004.

CalPERS received two written comments regarding the proposed Adoption of Section 565.5, Entitled “Fees for Actuarial Valuation”. Copies of these letters, along with copies of CalPERS’ written responses, are included as part of the rulemaking file.

The two comments were received by CalPERS during the public comment period can be summarized as follows:

1. A Request to include in the regulations, language reminding both employer and employee groups of their obligation to notify either party after receipt of a contract amendment cost analysis. (Sections (b) and (c) of the California Public Employees’ Retirement Law).
2. A request for CalPERS to include the words “or its chief administrative officer” in the regulations.

Regarding the first comment, staff felt that it would be inappropriate to repeat the requirement in the regulations since the requirement to provide a copy of the quotation within five days of receipt is clearly laid out in statute. However, we felt a need to address the concern by proposing to include in the cover letter of all future contract amendment cost analyses, the following paragraph:

In sections 20463 (b) and (c) , the California Public Employees’ Retirement Law requires the governing body of a public agency within five days of receipt of the contract amendment cost analysis, to provide each employee organization with a copy of the analysis. If this cost analysis was requested by an employee organization, the employee organization is also required within five days of receipt of the analysis, to provide a copy of the analysis to the public agency.

Regarding the second comment, while we saw some merit in their proposal, staff has no intentions of changing or imposing any delegations of authority on our contracting agencies. Furthermore, we felt that it is more appropriate for any such delegations to be made by the public agency governing body rather than be imposed by this regulation.

Summary And Response To Comments Received At The Public Hearing On August 17, 2004: CalPERS received no comment during the public hearing.

Alternatives Determination: CalPERS has determined that no reasonable alternative considered by the Board or that has otherwise been identified and brought to the attention of the Board would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.